

Investec Market Review

August 2023



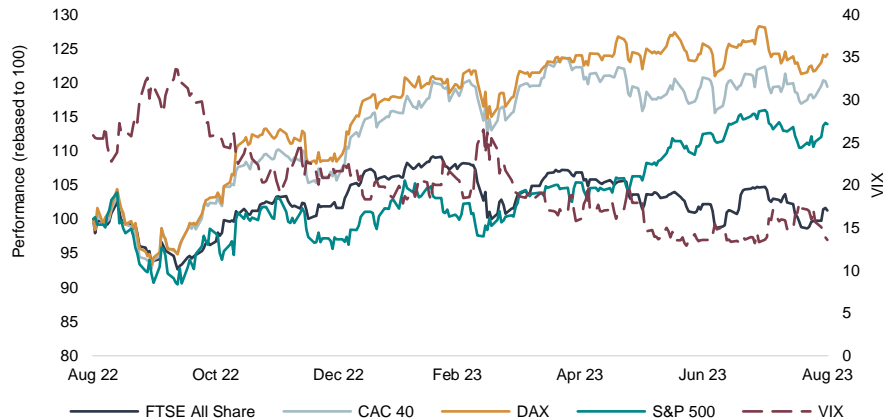
Executive summary

- UK equities slid in August - the FTSE All-Share fell by (2.9%) - following a number of disappointing economic readings and a seasonally quieter market
- 20 of 23 sectors registered negative performance in August, with Industrial Engineering and Leisure Goods as the weakest sectors, and Tech Hardware and Equipment performing strongest
- ECM activity continued to decline, by both volume and value compared to July
- UK public M&A quietened down significantly in August with only four deals announced in the month
- Please contact your usual Investec contact if you would like to discuss the contents of this pack

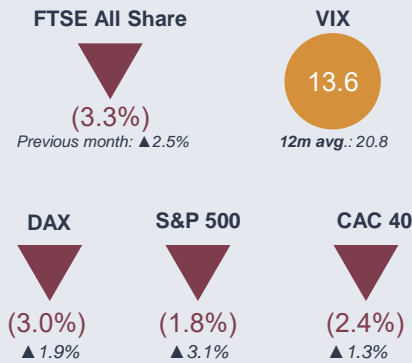
Market drivers in August

UK markets slid amid disappointing economic data

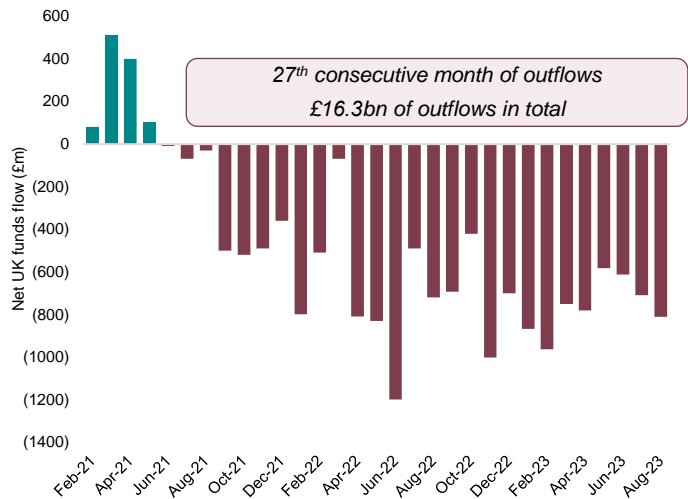
UK markets continue to lag behind European and US peers



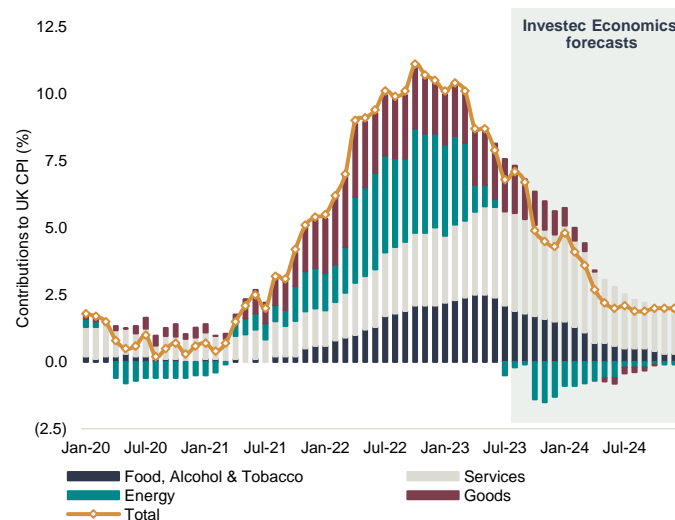
In numbers



Outflows exacerbated over the summer



MPC has a long road ahead when it comes to inflation



Economics headlines in August

UK inflation continued to decrease coming at 6.8% (Y/Y) in July as gas and electricity prices dropped

Bank of England raised the Bank Rate from 5.00% to 5.25%, the highest level in 15 years

RICS house price balance feel to a net balance of -53% in July, the lowest level since Great Financial Crisis

UK composite PMI fell from 50.8 in July to 47.9 in August, a sizeable miss on expectations for 50.3 and marked a 31-month low

Eurozone Services PMI fell from 50.9 in July to 48.3 in August, entering contraction territory

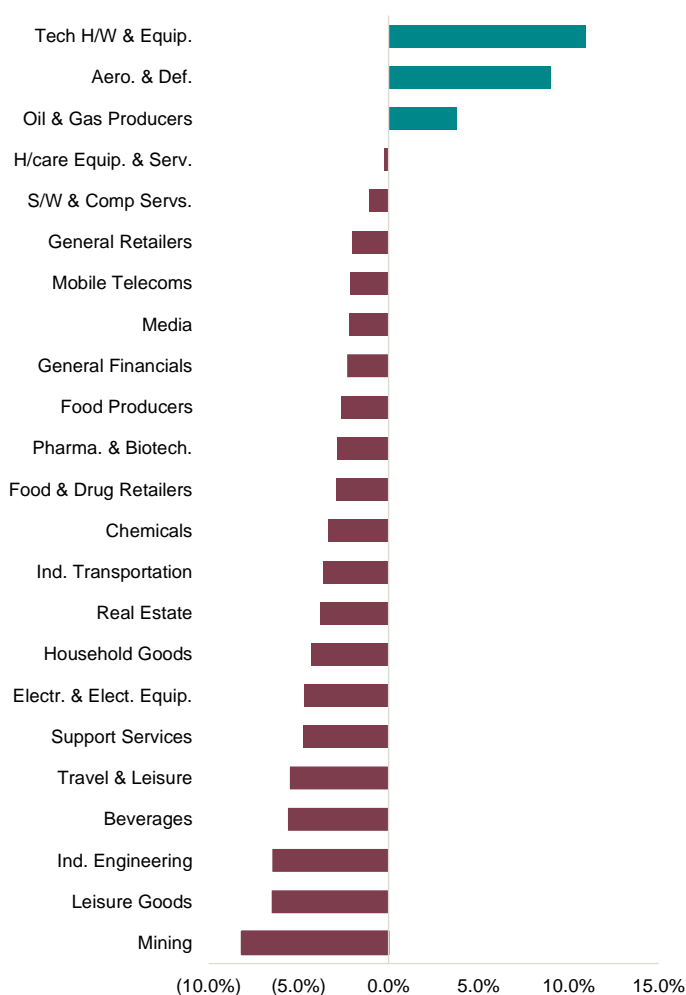
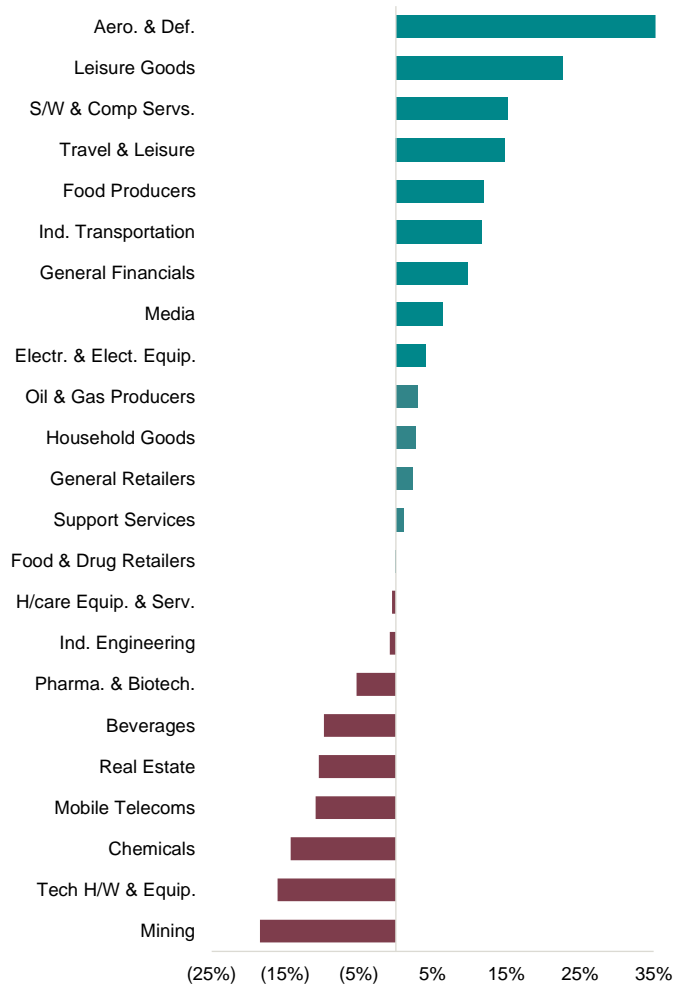
US inflation increased slightly to 3.3% (Y/Y) in July from 3.0% (Y/Y) in June

How did UK sectors fared in August

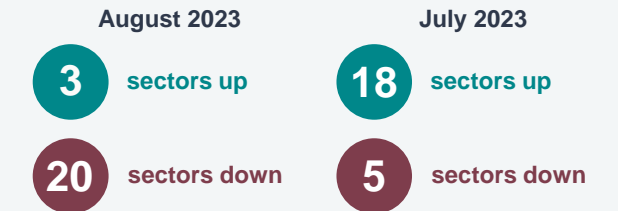
August lost some of the ground gained in July for most sectors

Sector performance (Year to date)

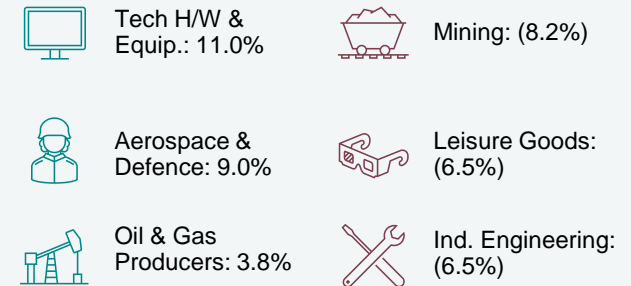
Sector performance (August 2023)



Monthly sector snapshot



Winners and losers



Drivers of sector performance in August

- **Aerospace & Defence** stocks continued their rally in August and posted another month of significant gains. BAE Systems share price increased by c.8.3% as it announced the acquisition of the aerospace of Ball Corporation for c.\$5.6bn
- Despite an impressive performance in August, **Tech Hardware and Equipment** stocks continue to be among the worst performers year-to-date having been heavily impacted by high interest rates and rising inflation
- Oil prices continue to be a tailwind for **Oil & Gas Producers**. Prices rose throughout August, with the WTI benchmark up c. 17% over the last three months

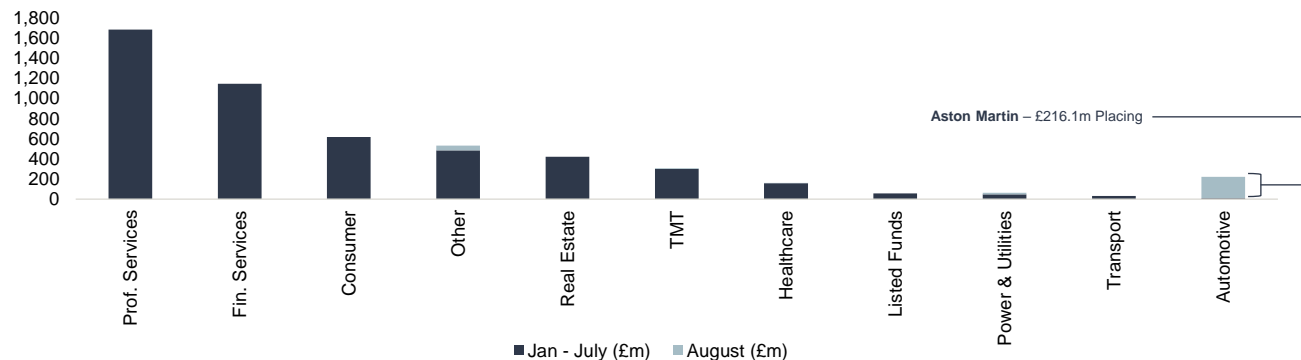
UK ECM activity takes a break in August

ECM activity quietened down as we reached the height of summer

Primary ECM issuance across the deal size spectrum in August



Public equity fund-raises by sector and highlighted deals

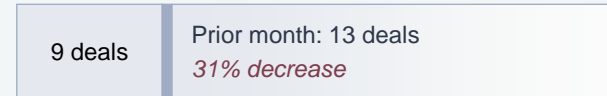


ECM activity snapshot

Total funds raised



Total no. transactions



Activity in August 2022

£187m

Notable deals

- Coats Group plc – £92m Placing
- Greatland Gold plc – £30m Placing
- Saietta Group plc – £23m Placing
- Wynnstay Group plc – £11m Placing
- MJ Hudson Group plc – £9m Placing

9 deals

Sell-downs



No sell-downs took place in August

Announced IPOs in August 2023







No notable announcements in August

UK Public M&A activity in August



Selected deals

			The economics	Highlights
Firm offer	2 nd August	  <p>Leading global provider of mobile lifecycle solutions and secure data erasure solutions</p>	<ul style="list-style-type: none"> 223 pence for each Blanco Technology Group share Premium : 24.6% 	<ul style="list-style-type: none"> Recommended all cash offer by Francisco for Blanco Francisco Partners believes Blanco can capitalize on durable market tailwinds driven by a heightened focus on sustainability and e-waste reduction The offer values Blanco at approximately £175m
Possible offer	24 th August	<p>Private Individual</p>  <p>Specialist property services group, delivering compliance and sustainability solutions</p>	<ul style="list-style-type: none"> 56 pence per each Kinovo share Premium : 15.4% 	<ul style="list-style-type: none"> Kinovo confirmed it had received a non-binding offer from Rx3 at a price of 56 pence in cash per Kinovo share. The possible offer had been communicated as final Kinovo also confirmed it had commenced a process to consult key shareholders noting that the possible offer is at the lower end of the Board's expectation The possible offer values Kinovo at approximately £34.8m
Firm offer	30 th August	<p>ARCHIMED</p>  <p>Market leading provider of IT solutions across the drug development lifecycle</p>	<ul style="list-style-type: none"> 833 pence for each Instem share Premium : 41.1% 	<ul style="list-style-type: none"> Recommended cash offer by Archimed for Instem Archimed believes that Instem will be able to capitalise on its market leading pre-clinical solutions in a private market setting that allows for the acceleration of investment in technology and growth The Instem directors also acknowledge the benefits of private ownership, including greater access to capital to pursue new inorganic growth opportunities The offer values Instem at approximately £203m

This document and any attachments (including any e-mail that accompanies it) (together, “this document”) is for general information only and is the property of Investec Bank plc (“Investec”). Investec is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Investec is registered in England and Wales (Reg. no. 489604) with its registered office at 30 Gresham Street, London EC2V 7QP. Whilst all reasonable care has been taken to ensure that the information stated herein is accurate and opinions fair and reasonable, neither Investec nor any of its affiliates or subsidiaries or any of its or their directors, officers, employees or agents (“Affiliates”) shall be held responsible in any way for the contents of this document. This document is produced solely for your information and may not be copied, reproduced, further distributed (in whole or in part) to any other person or published (in whole or in part) for any purpose without the prior written consent of Investec. Making this document available in no circumstances whatsoever implies the existence of an offer or commitment or contract with Investec or any of its Affiliates for any purpose.

No representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by Investec or its Affiliates in relation to the accuracy, reliability, suitability or completeness of any information contained in this document and any such liability is expressly disclaimed. This document does not purport to be all inclusive or to contain all the information that you may need. Investec gives no undertaking to provide the recipient with access to any additional information or to update this document or any additional information, or to correct any inaccuracies in it which may become apparent.

This document does not take into account the specific investment objectives, financial circumstances or particular needs of any recipient and it should not be regarded as a substitute for the exercise of the recipient’s own judgement and due diligence. Investec does not offer investment advice. Recipients of this document should seek independent financial advice regarding the appropriateness or otherwise of investing in any investment strategies discussed or recommended in this document and should understand that past performance is not a guide to future performance, and the value of any investments may fall as well as rise.

Investec expressly reserves the right, without giving reasons therefore, at any time and in any respect, to amend or terminate discussions with the recipient of this document without prior notice and hereby expressly disclaims any liability for any losses, costs or expenses incurred by such recipient.

